

1	INTRODUCTION	1
1.1	Integrated Statewide Information Systems (ISIS) Overview	1
1.1.1	Functionality	2
1.1.1.1	Expenditure Accounting and Accounts Payable ...	2
1.1.1.2	Purchasing	2
1.1.1.3	Revenue Accounting	3
1.1.1.4	Cost Allocation	3
1.1.1.5	Grant Accounting	3
1.1.1.6	Project Accounting	4
1.1.1.7	Appropriation and Budget Control	4
1.1.1.8	Consumable Inventory	4
1.1.1.9	General Accounting	5
1.1.2	Account Code Structure	6
1.1.2.1	Hierarchical Structure	6
1.1.2.2	Relational Structure	7
1.1.3	Data Entry	8
1.1.4	Data Access	8
1.1.4.1	Online Inquiries	8
1.1.4.2	Standard Report Distribution	8
1.2	Using GFS	9
1.2.1	GFS Terminology	9
1.3	Statutory Reference Overview	10
1.3.1	Statutory Requirements	10
1.3.1.1	Establishment of Division of Administration	10
1.3.1.2	Fiscal Reporting	11
1.3.1.3	Financial Control Function	11

1 INTRODUCTION

1.1 Integrated Statewide Information Systems (ISIS) Overview

This section provides an overview of the Integrated Statewide Information Systems (ISIS) which is a comprehensive financial information system. It serves the common accounting, management, and information needs of many departments and the Executive branch of the State of Louisiana government, including the central fiscal control agencies. Details about the background information provided in this overview are found in the various policies and procedures throughout this manual.

ISIS is comprised of the following components:

- Government Financial System (GFS)
- Advanced Government Purchasing System (AGPS)
- Budget Development System (BDS)
- Contract Financial Management System (CFMS)
- Other System Interfaces

The Governmental Financial System (GFS) is a major component of ISIS. GFS provides general accounting, revenue accounting, accounts payable, and cost accounting capabilities. GFS also provides complete functional and technical integration across modules. This feature provides users with a consistent view of the system which operates from the same base of information. GFS eliminates incompatibilities between functions and interfacing processes. This integration is achieved through:

- Comprehensive front-end editing
- Maintenance of a single, unified data base
- Simultaneous update of all data base records
- Utilization of a single account code structure

The following sections and chapters in this manual will focus primarily on the GFS system. The following sections provide background information on:

- Functionality
- Account Code Structure
- Data Entry
- Data Access

1.1.1 Functionality

GFS provides the accounting functionality to support the State of Louisiana's business activities. This includes operating under various basis of accounting.

GFS will provide the means to track and update financial information in the following functional areas:

- Expenditure Accounting and Accounts Payable
- Purchasing
- Revenue Accounting
- Cost Allocation
- Grant Accounting
- Project Accounting and Capital Outlay
- Appropriation and Budget Control
- Inventory Control
- General Accounting

1.1.1.1 Expenditure Accounting and Accounts Payable

Expenditure accounting and accounts payable functions include those activities related to the processing of expenditures, vendor payment scheduling and check processing. The business activities include:

- Paying vendors
- Applying discounts when available
- Grouping payments to a single vendor
- Maintaining vendor information for reporting, historical research and 1099 purposes
- Tracking accounts payable
- Relieving encumbrances when payment is initiated
- Processing refunds and credit memos

1.1.1.2 Purchasing

Purchasing includes those business processes which support the State's entire procurement process. The business activities include:

- Pre-encumbrance and encumbrance accounting

- Managing vendor information
- Integration of inventory and warehouse purchasing

1.1.1.3 Revenue Accounting

The revenue and accounts receivable processes involve the management of revenues and collection procedures. The business activities include:

- Budgeting for estimated revenues and establishing Means-of-Financing
- Accruals and cash accounting
- Processing and tracking accounts receivable
- Cash receipting into Suspense account with subsequent revenue recognition

1.1.1.4 Cost Allocation

The cost allocation functions support the gathering of all costs and revenues relating to specified revenue collection centers. This is accomplished by using coding elements from the GFS account code structure. The business activities include:

- Collecting direct and indirect costs
- Reporting on cost centers for management purposes
- Allocating costs

1.1.1.5 Grant Accounting

Grant accounting involves maintaining accounting records necessary to support grants and other reimbursable program reporting such as federal and administrative projects. The business activities include:

- Budgeting and accounting for grants and administrative projects
- Reporting grants and administrative projects

- Allocating costs
- Non-state fiscal year reporting
- Grant and administrative project life-to-date reporting
- Supporting CMIA requirements
- Accounting for pass-through funds

1.1.1.6 Project Accounting

Project Accounting involves maintaining accounting records necessary to support Capital Outlay projects. The business activities include:

- Budgeting and accounting for Capital Outlay projects
- Reporting projects
- Non-state fiscal year reporting
- Project life-to-date reporting

1.1.1.7 Appropriation and Budget Control

The appropriation and budget control processes establish spending controls and authorization levels. They are invoked by the system every time a transaction that expends funds is processed. The business activities include:

- Establishing and maintaining appropriations (Means-of-Financing, Appropriated Program)
- Controlling at Lower Levels, e.g., expense and revenue budget category levels)
- Managing budgets
- Reviewing budgets
- Adjusting budgets and appropriations
- Warrant draws

1.1.1.8 Consumable Inventory

The inventory capabilities in GFS provide updated information on the availability and status of stocked items, a way to minimize inventory investments consistent with service objectives, automated tools to

INTRODUCTION

assist servicing, purchasing and management of inventory and financial control of the inventory by chargebacks to the user organizations. These objectives are achieved through:

- Requisition processing
- Inventory management
- Purchasing
- Physical inventory reconciliation
- Integration with the purchasing and financial systems

1.1.1.9 General Accounting

General accounting refers to all other general ledger accounting activities in addition to those listed in the previous functional areas. The business activities include:

- General ledger reporting
- Processing journal vouchers
- Intragovernmental accounting activities
- Month-end and year-end processing
- Auditing and control
- Comprehensive Annual Financial Report (CAFR)
- Reporting to external groups--Auditors, Legislature, Public and Federal agencies

1.1.2 Account Code Structure

The account code structure provides a mechanism for meaningful classification of data entered into GFS. It gives managers the capability of tracking the flows and balances of monies within their organizations for reporting purposes. Agencies are responsible for defining *agency-related* account codes and agencies must give careful thought and planning into the definition of these account codes.

The account code structure is designed to serve both statewide and individual agency needs. Therefore, certain components are legislatively defined. The Office of Statewide Reporting and Accounting Policy (OSRAP) and State Treasurer (STO) have established the codes to meet statewide needs. These codes include:

- Fund
- Agency
- Expenditure Objects
- Revenue Sources
- Balance Sheet Accounts
- Appropriation (Program and Means of Financing)
- Activity (Undefined)

Components of the account code structure that may be defined by agencies to meet their organizational and cost accounting needs include:

- Organization (revenue collection centers, expenditure cost centers, sub-programs)
- Louisiana Organization
- Reporting Category (Grants)
- Project (Capital Outlay)
- Sub-Object

Account codes may be developed to represent two types of structures (roll-up):

- Hierarchical
- Relational

These structures are explained below.

1.1.2.1 Hierarchical Structure

Several codes within the account code structure provide for multi-level hierarchies so that information can

INTRODUCTION

be reported at varying summary levels. The highest level within a hierarchical structure will generally be the highest level of summary available for reporting. Levels below the highest level within the hierarchy represent more detailed levels of accounting information. The required formats for financial reporting are accomplished using a hierarchical relationship.

For example, expenditures for all governmental funds can be accumulated and reported on by defining the general fund, special revenue funds, capital project funds, and debt service funds with a "fund type" of "governmental." "Fund type" is an element within the hierarchy of the fund code structure. Since the base level is always the lowest in the hierarchy, they can be arranged in any manner.

For example, a hierarchical Fund structure could be set up so that data is accumulated as shown below:

Fund Group	Governmental
Fund Type	General Fund
Fund Class	Agency Operating
Fund	Division of Administration

1.1.2.2 Relational Structure

A relational structure exists when OSRAP defines a level or levels of an accounting code as linked to the base level code but not to the other levels of an accounting code. The levels may be defined as completely independent reporting attributes of the base code that do not roll-up to a higher level.

For example, a relational object structure type could be established so that data can be reported in a manner different from data at the lower levels.

For example, using Object Type **SA**, a report can be generated that will aggregate all salaries that have been appropriated in more than one Object Group; that is, Personal Services, Other Charges, Auxiliary Programs, etc.

Object Type	Salaries (in all Object Categories)
Object Category	Salaries Regular (Object Group of Personal Services)
Object Class	State Salaries (Object Group of Personal Services)
Object	Salaries (Object Group is Personal Services)

The roll-up levels for most codes have been defined statewide by OSRAP. When a base level code is created, related roll-up values can be entered with each base code value. Those roll-up values will be verified by GFS before the base codes will be accepted. Agencies are encouraged to work with OSRAP for help in establishing roll-up values and relationships.

For more information, see the "*Coding Elements of ISIS Account Code Structure*" section in this manual, Section 2.3.

1.1.3 Data Entry

Data entry is accomplished in GFS through character-based 3270 screens or, in some instances, through Graphical User Interface (GUI) transaction entry screens and user-maintained tables. Data entry is controlled in this environment by GFS security.

Transaction entry is also accomplished by interfacing with other systems, such as payroll and agency-specific systems.

1.1.4 Data Access

Access to data in GFS is accomplished by three methods:

- Online inquiries
- Standard report distribution including online review of standard reports
- Decision Support and/or Ad Hoc reporting

1.1.4.1 Online Inquiries

Users can access various online query tables that provide easy access to up-to-date information relating to all functional areas in GFS. These tables are accessed through character-based and GUI screens. Users can also view transactions in GFS that have been entered but have not yet posted. This includes entries requiring additional approval, data elements, corrections, or scheduling. For more information, see the *GFS Online Features* guide.

1.1.4.2 Standard Report Distribution

Users will receive standard reports from GFS. For more information, see the *Report Standards* policies in Section 23.1.1 of this manual.

1.2 Using GFS

GFS is an automated financial management system that accommodates governmental accounting, budget control, and reporting. GFS edits data after it is entered and then performs various accounting and bookkeeping functions. In addition, GFS selects, formats, and summarizes data into ledgers, tables, and reports that are used by accountants, budget managers/analysts, inventory/warehouse and financial management personnel in performing their daily responsibilities. For additional information concerning ledgers, see the *GFS User Guide, Volume 1 and Volume 2*.

1.2.1 GFS Terminology

The following terms will familiarize the user with the various components of the system:

Document

The recording of an accounting event or data. In this manual, "Document" and "Transaction" are used interchangeably.

Document Suspense File

A temporary storage place for transactions that are waiting for completion, corrections, approvals, or processing.

Table

Contains centralized, accessible, organized lists of information, used by the system during processing and reporting. Three types of tables are used in GFS:

System-maintained Tables - automatically updated by GFS as a result of transactions processing. Users cannot directly update these tables.

Reference Data Maintenance Tables (User-maintained) - updated and maintained by the user, either centrally or by the agency. These tables contain reference information for validation and reports.

Hybrid Tables - are a combination of system-maintained and user-maintained tables. These tables allow for user input and, in addition, can be updated by processed documents.

Transaction

The recording of an accounting event or data. "Document" and "Transaction" are used interchangeably in these policies and procedures.

1.3 Statutory Reference Overview

The statutory authority requiring the Division to specify and establish accounting and reporting standards and principles to be used by all state agencies is contained in the Louisiana Revised Statute Title 39:91 and is set forth as follows:

"The Commissioner of Administration shall under authority of the Governor prescribe and cause to be installed and maintained a uniform system of accounting in all state agencies. Should the Legislative Auditor find that these accounting procedures do not adequately reflect the financial activities of the state agencies, he shall so advise the legislature at its next regular session in a detailed report outlining said inadequacies."

Pursuant to this authority, the Division of Administration has delegated this authority to the Office of Statewide Reporting and Accounting Policy (OSRAP), which specifies and establishes the financial accounting and reporting principles and standards to be used by all boards, commissions, departments, agencies, institutions, and offices within the executive branch of state government. Specifically, it devises, formulates, approves and controls the accounting methods of all state agencies within the executive branch. Additionally, it prescribes forms for use by state agencies in connection with fiscal matters and requires agencies to submit annual financial reports at year end to be included in the preparation of the State's Comprehensive Annual Financial Report (CAFR).

1.3.1 Statutory Requirements

The following sections identify the various state statutory provisions that pertain to the establishment and operation of a centralized, statewide accounting system. Unless otherwise indicated, all statutory references below are to the Louisiana Revised Statutes Annotated 1950, as amended and supplemented through the 1994 session.

1.3.1.1 Establishment of Division of Administration

Sections 1, 3 and 4 of the Louisiana Revised Statutes Title 39 establish the Division of Administration, describe the general duties and powers of the Commissioner, and prescribe the creation of subdivisions or sections deemed necessary to carry out budgeting, accounting controls etc, by the Governor through the use of an Executive Order.

1.3.1.2 Fiscal Reporting

Section 92 of the Louisiana Revised Statutes Title 39, prescribes that, within six months after the close of each fiscal year, the Commissioner of Administration shall cause to be prepared a comprehensive annual financial report containing those financial statements, including notes thereto, which are necessary for a fair presentation of the financial position and results of operations of the state in conformity with generally accepted accounting principles. This responsibility, however, has been delegated to the Commissioner of Administration who has assigned specific duties and powers to various offices within the Division of Administration.

1.3.1.3 Financial Control Function

Section 91 of the Louisiana Revised Statutes Title 39, authorizes the installation and maintenance of a uniform system of accounting in all state agencies under the direction of the Commissioner of Administration. This authority has been delegated to the OSRAP. Under Section 92, all state agencies and reporting component units are required to furnish to the OSRAP between the first and forty-five day following the close of the fiscal year, a sworn statement of all monies received and from what sources, all monies expended and for what purposes, all revenues due and not collected, and all obligations incurred and not paid. "State agency" has been defined as; the state of Louisiana and any department of or corporation, agency, political subdivision or instrumentality heretofore or hereafter created, designated or established by the state of Louisiana. "Component reporting units" include those governmental entities for which oversight responsibility rests with the State of Louisiana. A copy of the sworn statement shall be furnished to the Legislative Auditor.

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